WHAT SHOULD I LOOK FOR WHEN I BUY HEALTH INSURANCE?

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207-624-8475 or 1-800-300-5000 (in Maine)
http://www.maine.gov/pfr/insurance

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Few decisions are as important as choosing health insurance; however, choosing the right insurance can be difficult. There are many things to consider before you make a final decision. Before buying a policy, it is very important to learn what plans offer and which plan would meet your needs.

This brochure is intended to help people to shop for health insurance policies for themselves or their families, people receiving Medicare who are looking for supplemental insurance, and people who are self-employed and eligible for small group plans. This information is a companion piece to other brochures available on our website under Consumer Information/Publications.

1. **How can I tell if a company will provide me with the insurance coverage I need?**

   Make sure the company is licensed in the State of Maine by looking on our website under Licensee Search. Be careful when looking up a carrier's name to ensure that you identify it exactly. Some illegitimate plans use names that are very similar to licensed carriers. To become licensed, the company has to provide the Bureau with documentation that shows that they are financially stable.

   Another good resource is a rating company. You can use www.ambest.com, www.moodys.com, or www.standardandpoors.com to

find company financial ratings. If you don't have Internet access, call us at 1-800-300-5000 (in Maine) and ask to speak to the person who can give you an A.M. Best rating and license information.

Other information you may find helpful can be found on the Bureau of Insurance website (www.maine.gov/pfr/insurance). Choose the Consumer Information link, choose the Publications heading and then select Health in the heading under Publications.. You may find the brochures listed below of particular interest.

- Maine Consumer Guide to Health Insurers
- Small Employers Health Insurance, A Consumer Guide to
- Health, Disability and Long-Term Care Complaint Comparison
- Individual Health Insurance, Guide to
- Medicare Supplement Comparison Chart

2. **What about discount cards?**

Discount cards are not insurance. They provide discounts for health care services or prescription drugs. You have to pay all costs beyond the discount. Some discount cards carry a monthly or yearly fee.

3. **What should I consider when I choose a health policy?**

What do I need?

First, determine your own health needs. The questions to consider include:

- Do you or your family members have special health needs?
- Do you or your family members need to see specialists regularly?
- Do you or your family members have a condition that would be made more difficult if you couldn't see the person whom you consider to be your primary physician or specialist?
- Do you or your family members have an ongoing need for prescription drugs?

How do benefits compare? Once you know your health needs, you can compare the benefits offered by each plan.

- The Consumer Guide to Individual Health Insurance
- The Consumer's Guide to Small Employers Health Insurance
- The Medicare Supplement Comparison Chart describe the benefits available.

Each plan may offer some benefits that meet your needs, but chances are no plan will meet them all. You have to balance what you need with what you can afford.

HMO, PPO or Indemnity? People enrolled in a Health Maintenance Organization (HMO) generally must choose a primary care physician from a list of participating doctors. For any non-emergency hospital or specialty care, enrollees must usually get a referral. A "pure" HMO plan does not provide benefits if you go to a provider who is not in the network. A point-of-service (POS) plan will pay a reduced level of benefits for services provided by non-network providers. The plan may restrict how you may access the services, how often you can use the services, and/or how much the plan will pay annually for the services.

> In a Preferred Provider Organization (PPO), the health insurer contracts with a network of medical providers who agree to accept lower fees and/or to control medical costs. People enrolled receive a higher level of benefits if they go to a participating provider than if they go to a non-participating provider.
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> In an indemnity plan, the health insurer does not restrict your choice of provider. Benefits are usually limited to the "usual and customary" fee for the service. If your provider's fee is higher, the provider will bill you for the difference. Benefits are also usually subject to an annual deductible and coinsurance. Coinsurance is a percentage of the fee (typically 20%) that you must pay.

Can I still see my current doctor? Find out if the doctors and other health care professionals you and your family members use participate with the health plan. Determine if your providers are in the health plan's network by checking the plan's provider directories and by calling the providers' offices. If the doctor/provider is not part of the plan's network, check the difference between coverage for participating and non-participating providers. This will help you calculate what you would have to pay out-of-pocket if you really wanted to continue using that provider. Ask your providers if they have had problems with the insurance company not paying them on time or refusing to pay at all.

How's the referral system? Does the company complete referrals to another doctor/provider quickly and do they give you notice of the approved referral? Ask your doctor how quickly the company decides on referrals.

How's the customer service? Service is also important to consider. A company that gives superior service may be worth some additional cost if you can afford it. Some measures of the quality of a health insurance company's customer service are found on our website in Maine Consumers Guide to Health Insurers.

What's the bottom line? See the Individual Health Insurance, Guide to; Small Employers Health Insurance, A Consumer Guide to or Medicare Supplement Comparison Chart publications for prices and plans listed by company. Compare benefits and premiums carefully. Consider what deductible amounts you can afford. (Most HMOs do not use deductibles; however, they may require co-payments for specific services.) See what parts of your costs are paid by the plan, and whether this varies by the type of service, doctor, or health facility used. Consider what your copayments for doctor and hospital will be, and whether you can afford the premiums of smaller copayments vs. larger copayments. Check whether there is a limit on how much the plan will pay for your care in a year or over a lifetime (keeping in mind that a single hospital stay could costs hundreds of thousands of dollars).

Can you afford it? If not, you or your family members might be eligible for MaineCare (formerly called Medicaid). To find out, call the Maine Department of Human Services at 1-877-543-7669.

4. **How long do I have to keep this health insurance policy?**

   Generally, health care policies go from month to month, unless you have signed a longer agreement. Coverage may be cancelled if you skip a payment.

HELPFUL TIPS

- **Don't write a check, give out your bank account number or give any person money until you are completely sure that you understand exactly what coverage you are buying**. Even if the person appears trustworthy, if you feel at all confused - wait. Give yourself as much time as you need to think about it. Ask for the business card of the individual selling you the policy. Also ask for all documents related to the policy and its benefits. Make sure you get a receipt when you do buy the policy. Read your policy and know where it is.

  If you allow the insurance company to deduct payments directly from your bank account and you decide to end your insurance, it could take several months to stop the deductions and longer still to get back the money they continue to collect.

- **Comparison shop**. Request and read copies of the insurers' brochures describing benefits and how to use them. You will find the company telephone numbers listed in the Individual Health Insurance, Guide to Small Employers Health Insurance, A Consumer Guide to and Medicare Supplement Comparison Chart publications.
- Take the necessary time to learn all you can about the insurance you want to buy. sk the opinion of people who you trust and enlist their help in your search. Is your doctor familiar with this company? Get the information you need to ensure you are comfortable with your decision.
- Don't be afraid to ask questions. **Never buy an insurance policy you do not understand.**
- When your new insurance policy arrives, look it over carefully. Make sure you received the policy that you thought you purchased. You have a 10-day "free look" period when you may cancel the new policy if it does not meet your expectations.
- Keep good files. Keep your insurance policy and all your insurance records in a safe place where you can easily refer to them.
- Know your rights:
    1. You have the right to understand anything the insurance company sends you. If you do not understand the information you received, call the company and ask for an explanation. Ask the company to put it in writing.
    2. You have the right to disagree with your insurance company. Your policy or benefit booklet should tell you who to call when you are not happy with the company. You have the right to appeal any company decision.
    3. You have the right to know who is making medical decisions about you at the insurance company. Ask the company to send you a list of names, titles, and qualifications of these people. Medical people should make medical decisions.
    4. You have the right to know the reason for a denial of requested medical services. If your company denies a requested service, they must explain their decision in writing. If the company denies a requested service saying it is not medically necessary, they must explain why.
    5. You have the right to seek emergency services without prior authorization in a medical emergency, but be sure to contact your insurer as soon as possible after you have gone to the emergency room.
    6. You have the right to have help when you work with your insurance company. A relative, friend, doctor, or nurse may be willing to help. You always have the right to call the Bureau of Insurance for help.
- Know your responsibilities:

1. You have the responsibility to understand your coverage and call your insurer if you have any questions.
2. You have the responsibility to get a referral from your Primary Care Provider if your plan requires referrals. Contact your insurer before you receive the referred services to make sure that they have received and approved the referral.

Other questions?

On our website, check out Frequently Asked Questions, and always feel free to call the Bureau at 1-800-300-5000